

## Message Text

CONFIDENTIAL

PAGE 01 CARACA 00278 091855Z

62

ACTION ARA-10

INFO OCT-01 ISO-00 CIAE-00 COME-00 EB-07 INR-07 LAB-04

NSAE-00 SIL-01 DODE-00 PA-01 USIA-06 PRS-01 SP-02 L-03

FEA-01 TRSE-00 /044 W

----- 036703

R 091610Z JAN 76

FM AMEMBASSY CARACAS

TO SECSTATE WASHDC 1497

C O N F I D E N T I A L CARACAS 0278

E.O. 11652: GDS

TAGS: ELAB, PFOR, VE, ECON

SUBJECT: PETROLEUM UNION POLITICS HEAT UP

REF: CARACAS 9302

1. THE PETROLEUM WORKERS FEDERATION (FEDEPETROL) WILL HOLD ITS TRIENNIAL CONGRESS THE FIRST WEEK IN FEBRUARY. THE PRINCIPAL BUSINESS OF THIS CONGRESS WILL BE TO ELECT A NEW EXECUTIVE COUNCIL AND TO DECIDE ON PROCEDURES AND GOALS FOR CONTRACT NEGOTIATIONS WHICH WILL BEGIN IN APRIL (THE PETROLEUM WORKERS' CONTRACT EXPIRES AT THE END OF JUNE). BOTH OF THESE MATTERS ARE OF SINGULAR POLITICAL AS WELL AS ECONOMIC IMPORTANCE SINCE THE NEWLY ELECTED LEADERSHIP WILL BE NEGOTIATING THE FIRST CONTRACT WITH THE NEWLY-NATIONALIZED PETROLEUM COMPANIES.

2. FEDEPETROL HAS BEEN ONE OF THE FEW TRADE UNION FEDERATIONS CONTROLLED BY OPPOSITION POLITICAL PARTIES. FEDEPETROL PRESIDENT CARLOS PINERUA IS A MEMBER OF MEP, ELECTED BY A MEP-COPEI COALITION. PINERUA IS RUNNING FOR REELECTION AND IS BASING AT LEAST A PART OF HIS CAMPAIGN ON WORKER FEARS THAT THEIR INTERESTS WILL SUFFER NOW THAT THEY WORK FOR THE GOV RATHER THAN THE MULTINATIONALS. AD IS TRYING DESPERATELY TO GAIN AN ABSOLUTE MAJORITY AT THE FEDEPETROL CONGRESS BY CONVINCING THE WORKERS THAT AD CAN RUN THE GOV, THE NATIONALIZED PETROLEUM INDUSTRY, AND THE UNION WITHOUT A CONFLICT OF INTEREST.

CONFIDENTIAL

CONFIDENTIAL

PAGE 02 CARACA 00278 091855Z

3. LOCAL ELECTIONS TO CHOOSE DELEGATES TO THE CONGRESS ARE IN PROGRESS WITH AD SO FAR WINNING SLIGHTLY LESS THAN THE FIFTY PERCENT PLUS ONE NEEDED TO CONTROL FEDEPETROL. AD LEADERS EXPRESS CONFIDENCE THAT THEY WILL IMPROVE THEIR STRENGTH IN THE LOCAL ELECTIONS YET TO BE HELD AND HINT THAT IF NECESSARY SOME OF PINERUA'S MEP SUPPORTERS MIGHT BE "CONVINCED" TO SUPPORT AD. IN THE PAST, LEADERS OF MAS HAVE ALSO EXPRESSED PRIVATELY A WILLINGNESS TO SUPPORT AD IN RETURN FOR A PLACE ON THE EXECUTIVE COUNCIL. THE MEP-COPEI COALITION IS EQUALLY CONFIDENT, POINTING OUT THAT PINERUA DEFEATED THE LEGENDARY AD FOUNDER AND FIRST PRESIDENT OF FEDEPETROL, LUIS TOVAR, IN THE LAST FEDEPETROL CONGRESS SEVERAL YEARS AGO.

4. COMMENT: MANY OF THE TACTICS USED BY THE OPPOSITION IN PROVOKING THE POST-NATIONALIZATION IRON MINER WILDCAT STRIKES LAST YEAR (CARACAS 5467) ARE BEING REPEATED AMONG THE PETROLEUM WORKERS. WHILE THE SITUATION IS NOT YET CRITICAL, THE COMBINATION OF THE FEDEPETROL CONGRESS, CONTRACT NEGOTIATIONS, AND NATIONALIZATION HAVE THE POTENTIAL TO PROVOKE A STRIKE IN THE PETROLEUM INDUSTRY, WHICH GENERATES OVER 90 PERCENT OF VENEZUELA'S FOREIGN EXCHANGE EARNINGS.

SHLAUDEMAM

CONFIDENTIAL

NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** PETROLEUM INDUSTRY, NATIONALIZATION, LABOR UNIONS, UNION REFERENDUMS, MEETING DELEGATIONS, POLITICAL SITUATION, LABOR OBJECTIVES  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 09 JAN 1976  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** ShawDG  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1976CARACA00278  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** GS  
**Errors:** N/A  
**Film Number:** D760009-0296  
**From:** CARACAS  
**Handling Restrictions:** n/a  
**Image Path:**  
**ISecure:** 1  
**Legacy Key:** link1976/newtext/t19760172/aaaacmjoy.tel  
**Line Count:** 83  
**Locator:** TEXT ON-LINE, ON MICROFILM  
**Office:** ACTION ARA  
**Original Classification:** CONFIDENTIAL  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 2  
**Previous Channel Indicators:** n/a  
**Previous Classification:** CONFIDENTIAL  
**Previous Handling Restrictions:** n/a  
**Reference:** 75 CARACAS 9302  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** ShawDG  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 21 JUL 2004  
**Review Event:**  
**Review Exemptions:** n/a  
**Review History:** RELEASED <21 JUL 2004 by coburnhl>; APPROVED <29 OCT 2004 by ShawDG>  
**Review Markings:**

Margaret P. Grafeld  
Declassified/Released  
US Department of State  
EO Systematic Review  
04 MAY 2006

**Review Media Identifier:**  
**Review Referrals:** n/a  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** PETROLEUM UNION POLITICS HEAT UP  
**TAGS:** ELAB, PFOR, ECON, VE, FEDEPETROL  
**To:** STATE  
**Type:** TE  
**Markings:** Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006